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STATE FOR INL (JLYLE) AND EUR/SE  
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DEA FOR OILS AND OFFICE OF DIVERSION CONTROL

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SUBJECT: CYPRUS: 2008-2009 INTERNATIONAL NARCOTICS CONTROL STRATEGY  
REPORT (INCSR) PART I, DRUGS AND CHEMICAL CONTROL (EUR, SCA)

REF: STATE 100992

11. Per Reftel request, Post submits in para 2 below Part I (Drugs and Chemical Control) of the 2008-2009 INCSR. The report is based on an update of last year's published version.

12. BEGIN TEXT

INCSR PART I

Cyprus

1I. Summary

Cyprus has been divided since the Turkish military intervention of 1974, following a coup d'etat directed from Greece. Since then, the southern part of the country has been under the control of the Government of the Republic of Cyprus. The northern part is controlled by a Turkish Cypriot administration that in 1983 proclaimed itself the "Turkish Republic of Northern Cyprus (TRNC)," recognized only by Turkey. The USG recognizes only the Government of the Republic of Cyprus and does not recognize the "TRNC." This report refers to the Government-controlled area unless otherwise specified.

Although Cypriots do not produce or consume significant amounts of narcotics, an increase in local drug use continues to be a concern. The Government of Cyprus traditionally has had a low tolerance toward any use of narcotics by Cypriots and continues to employ a public affairs campaign to remind Cypriots that narcotics use carries heavy costs, and users risk stiff criminal penalties. Cyprus' geographic location and its decision to opt for free ports at its two main seaports continue to make it an ideal transit country for legitimate trade in most goods, including chemicals, between the Middle East and Europe. To a limited extent, drug traffickers use Cyprus as a transshipment point due to its strategic location and its relatively sophisticated business and communications infrastructure. Cyprus monitors the import and export of dual-use precursor chemicals for local markets. Cyprus customs authorities have implemented changes to their inspection procedures, including computerized profiling and expanded use of technical screening devices to deter those who would attempt to use Cyprus free ports for narcotics smuggling. A party to the 1988 UN Drug Convention, Cyprus strictly enforces tough counternarcotics laws, and its police and customs authorities maintain excellent relations with their counterparts in the USG and other governments.

II. Status of Country

Cypriots themselves do not produce or consume significant quantities of drugs. The island's strategic location in the eastern Mediterranean creates an unavoidable liability for Cyprus, as Cyprus

is a convenient stopover for narcotics traffickers moving from Southwest Asia to Europe. Precursor chemicals are believed to transit Cyprus in limited quantities, although there is no hard evidence that they are diverted for illegal use. Cyprus offers relatively highly developed business and tourism facilities, a modern telecommunications system, and the ninth-largest merchant shipping fleet in the world. This year has seen approximately USD 1,500,000 worth of illegal narcotics proceeds frozen in several bank accounts.

Drug-related crime, still low by international standards, has been steadily rising since the 1980's. According to the Justice Ministry, drug related arrests and convictions in Cyprus have doubled since 1998. Cypriot law calls for a maximum prison term of two years for drug users less than 25 years of age with no prior police record. Since late 2005, Courts have been referring most first-time offenders to rehabilitation centers rather than requiring incarceration. Sentences for drug traffickers range from four years to life, depending on the substances involved and the offender's criminal record. In an effort to reduce recidivism as well as to act as a deterrent for would-be offenders, Cypriot courts have begun sentencing distributors to near maximum prison terms as allowed by law. For example, in the second half of 2004, the Cypriot Courts began sentencing individuals charged with distributing heroin and Ecstasy (MDMA) to much harsher sentences, ranging from 8 to 15 years. Cypriot law allows for the confiscation of drug-related assets as well as the freezing of profits, and a special investigation of a suspect's financial records.

Cyprus's small population of soft-core drug users continues to grow. Cannabis is the most commonly used drug, followed by heroin, cocaine, and MDMA (Ecstasy), which are available in major towns. Reports of narcotics overdoses in 2008 were as follows: eleven

confirmed drug related deaths. Of the deaths, ten were the results of an overdose; one death was indirectly related to drugs. The number of overdose/drug-related deaths decreased by five as compared to 2007. The use of cannabis and Ecstasy by young Cypriots and tourists continues to increase.

The Government of Cyprus has traditionally had low tolerance toward any use of narcotics by Cypriots and uses a pro-active public relations strategy to remind Cypriots that narcotics use carries heavy penalties. The media reports extensively whenever narcotics arrests are made. The Republic of Cyprus has no working relations with enforcement authorities in the area administered by Turkish Cypriots. The US Embassy in Nicosia, particularly the DEA, works with the Turkish Cypriot community on international narcotics-related issues. Turkish Cypriots have their own law enforcement organization responsible for the investigation of all narcotics-related matters. They have shown a willingness to pursue narcotics traffickers and to provide assistance when asked to do so by foreign law enforcement authorities.

### III. Country Actions Against Drugs in 2008

#### Policy Initiatives.

In May 2004, Cyprus became a member of the European Union (EU). Prior to its accession into the EU, Cyprus implemented all the necessary requirements to comply with EU regulations. To meet EU regulations, Cyprus established the Anti-Drug Council, which is responsible for national drug strategies and programs. The Council is chaired by the Health Minister and is composed of heads of key agencies with an active role in the fight against drugs. They are appointed by the Council of Ministers for a period of three years. The Council acts as a liaison between the Republic of Cyprus and other foreign organizations concerning drug related issues, as well as having the responsibility for promoting legislative or any other measures in an attempt to effectively counter the use and dissemination of drugs. Moreover, the Cyprus Anti-Drug Council is the responsible body for the strategic development and implementation of the National Drugs Strategy and the National Action Plan on Drugs aligned with the EU Drugs Strategy. In connection with EU entry, Cypriot authorities also established the Cyprus Police European Union and International Police Co-operation Directorate, which replaces a similar operational unit established in 2002. The Directorate is responsible for cooperating with

foreign liaison officers appointed to Cyprus, including the US Drug Enforcement Administration (DEA), Nicosia Country Office (NCO), as well as Cypriot liaison officers appointed abroad.

The Cyprus Police, Drug Law Enforcement Unit, (DLEU) is the lead police agency in Cyprus charged with combating drug trafficking in Cyprus. The DLEU hosts weekly meetings attended by foreign liaison officers from the United States (DEA), Greece, United Kingdom, Russia, France and Sovereign Base Areas (UK) assigned to Cyprus and regional liaison officers not resident in Cyprus from Australia, Canada, Germany, and Italy with reporting responsibilities for Cyprus. In 2007, DLEU's budget increased slightly which helped support continuing training for its members in combating drug trafficking. The appointment of a new DLEU commander in 2006 has improved morale as well as arrest and seizure statistics. In late October 2006, the DEA Office of International Training conducted an Asset Forfeiture Training conference in Nicosia, which was attended by more than forty law enforcement personnel. In 2004, Cyprus established two new centers for the detoxification and rehabilitation of drug addicts. A new law enacted in Cyprus provides judges with the discretion to send convicted drug addicts to jail or to one of these centers under certain conditions.

Law Enforcement Efforts. Cyprus aggressively pursues drug seizures, arrests, and prosecutions for drug violations. Cyprus focuses on major traffickers when cases subject to their jurisdiction permit them to, and readily supports the international community in efforts against the narcotics trade.

Cypriot police are generally effective in their law enforcement efforts, although their techniques and capacity remain restricted by tight budgets. Nevertheless, US-Cyprus cooperation is excellent and has yielded important results in several narcotics-related cases. Through the first eleven months of 2008, the Cyprus Police Drug Law Enforcement Unit opened 611 cases and made 761 arrests, an increase of 136 and 33, respectively, from last year. Of those arrested 527 were Cypriots and 201 were foreign nationals. DLEU seized approximately 305 kgs of cannabis, 628 cannabis plants, 26 kgs of cannabis resin (hashish), 15 kgs of cocaine, 5,466 tablets of MDMA (Ecstasy), 1.2 grams of amphetamines, 106.52 grams of opium, 2.5 kgs of heroin, and 25 tablets of methadone.

Area administered by Turkish Cypriots: The "Narcotics and Trafficking Prevention Bureau" functions directly under the "General Police Headquarters." From January to November 2008, the Turkish Cypriot "authorities" arrested 207 individuals for narcotics offenses and seized 1 kg of hashish, 5 kg of heroin, 111 grams of cocaine, 634 kg of opium, 353 cannabis plants, 6873 tablets of Ecstasy. Overall, with the exception of Heroin, the "police" report a decline in drug seizures.

Corruption. As a matter of government policy, Cypriot officials do not facilitate the production, processing, or shipment of drugs, or the laundering of the proceeds of illegal drug transactions in either the Government-controlled area or the area administered by Turkish Cypriots. There is some evidence, however, that Turkish Cypriot "Customs" has facilitated the import of illegal goods and regularly accepts bribes allowing importers to avoid paying import duties.

Agreements and Treaties. Cyprus is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Cyprus is a party to the UN Convention against Transnational Organized Crime and its three protocols, and has signed but has not yet ratified the UN Convention against Corruption. An extradition treaty between the United States and Cyprus entered into force in September 1999. A mutual legal assistance treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002. Cyprus also became a member of the EU in May 2004.

Area administered by Turkish Cypriots: In 1990, a protocol regarding cooperation in the fields of security, trafficking of narcotics and psychotropic materials, battling terrorism, technical education and social relations was signed between the "TRNC" and the Republic of Turkey. The "TRNC" has no other agreements in this field as Turkey is the only country that recognizes it.

Cultivation/Production. Cannabis is the only illicit substance cultivated in Cyprus, and it is grown only in small quantities for local consumption. The Cypriot authorities vigorously pursue illegal cultivation. The police seized 628 cannabis plants in the first 11 months of 2008.

Area administered by Turkish Cypriots: The import/export, sale, distribution, possession or cultivation of narcotics is viewed as a serious offense and sentences of up to 15 to 20 years are not unusual. There have been no reports of large-scale cultivation of narcotics, although some individuals have planted cannabis for personal use. The "police" seized 353 cannabis plants during the first eleven months of 2008.

Drug Flow/Transit. Although Cyprus is no longer considered a significant transit point for drugs, there were several cases of narcotics smuggling in the past year. Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated during 2008. Tourism to Cyprus is sometimes accompanied by the import of narcotics, principally Ecstasy and cannabis. This year, arrests of Cypriots for possession of narcotics with intent to distribute were higher than the number of arrests of non-Cypriots on similar charges, suggesting Cyprus might be becoming a target market for domestic traffickers.

There is no production of precursor chemicals in Cyprus, nor is there any indication of illicit diversion. Dual-use precursor chemicals manufactured in Europe do transit Cyprus to third countries. Such cargoes are unlikely to be inspected if they are manifested as goods in transit. The Cyprus Customs Service no longer has the responsibility of receiving manifests of transit goods through Cyprus. This responsibility now rests with the Cyprus Ports Authority. Goods in transit entering the Cypriot free ports of Limassol and Larnaca can be legally re-exported using different transit documents, as long as there is no change in the description of the goods transported. Since these goods do not enter the customs area of Cyprus, they would only be inspected by Cypriot authorities if there were good intelligence to justify such an inspection.

Area administered by Turkish Cypriots: The majority of hashish seized comes from Turkey, whereas heroin comes from Afghanistan by way of refineries in Pakistan, Iran, and Turkey. Ecstasy and cocaine come from Turkey, England and South America, respectively. The preferred method of smuggling illegal narcotics is through concealed compartments of vehicles or through containers in Cargo Ships which have originated from South Africa.

Domestic Programs (Demand Reduction). Cyprus actively promotes demand-reduction programs through the school system and through social organizations. Drug abuse remains relatively rare in Cyprus. Marijuana is the most commonly encountered drug, followed by heroin, cocaine, and Ecstasy, all of which are available in most major towns. Users consist primarily of young people and tourists. Recent increases in drug use have prompted the Government to promote demand reduction programs actively through the school system and social organizations, with occasional participation from the DEA office in Nicosia. Drug treatment is available.

Area administered by Turkish Cypriots: The Turkish Cypriot community has introduced several demand reduction programs, including regular seminars on drug abuse education for school counselors and teachers.

#### IV. US Policy Initiatives and Programs

Policy Initiatives. The US Embassy in Cyprus, through the regional DEA office, works closely with the Cypriot police force to coordinate international narcotics investigations and evaluate local narcotics trends. Utilizing its own regional presence, DEA assists the new coordination unit in establishing strong working relationships with counterparts in the region. DEA also works directly with Cypriot customs, in particular, on development and implementation of programs to ensure closer inspection and interdiction of transit containers.

The Road Ahead. The USG enjoys close cooperation with the Cypriot Office of the Attorney General, the Central Bank, the Cyprus Police, and the Customs Authority in drug enforcement and anti-money laundering efforts. In 2008, the USG continues to work with the Government of Cyprus to strengthen enforcement of existing counternarcotics laws and enhance Cypriot participation in regional counternarcotics efforts. DEA regularly provides information and insight to the GOC on ways to strengthen counternarcotics efforts. New laws to empower members of the Drug Law Enforcement Unit in their fight against drug traffickers are currently before Parliament.

END TEXT

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